

- **Board of Directors**
Engineering and Operations Committee

April 9, 2002 Board Meeting

10-1

Subject

Status report for the Inland Feeder Program for activities through February 2002 [Any discussion of potential litigation to be heard in closed session. Conference with legal counsel – significant exposure to litigation (two matters); to be heard in closed session pursuant to Gov. Code § 54956.9(b)]

Description

Arrowhead Tunnels

The Chief Executive Officer was authorized to award a contract to low bidder, J.F. Shea Construction Inc. and Kenny Construction Company, A Joint Venture, in the amount of \$242.3 million for construction of the Arrowhead Tunnels. A notice-to-proceed is expected to be issued in mid-April.

Arrowhead West Tunnel – Reach 1

Metropolitan has received the contractor's submittal of claimed costs regarding delay and deletion of mining. Staff has requested an audit of the contractor's financial records to substantiate these costs. The Board will be updated as information becomes available.

Arrowhead East Tunnel – City Creek Heading – Reach 2

The contractor has nearly finished the portal restoration work at City Creek. All work is scheduled to be completed by the end of April.

Highland Pipeline – Reach 3

Construction bids are expected to open April 2, 2002. Contract award is expected in April. (See April 9, 2002 Board Meeting Letter 9-1)

Riverside Badlands Tunnel – Reaches 5 & 6

The contractor completed installation of the steel pipe in the tunnel. Grouting activities to fill the void between the primary concrete segmented liner and the steel pipe will continue through April. Mortar-lining of the pipe began in mid-March. All work is expected to be completed in late 2002.

Budget and Schedule

The projected total cost for the Inland Feeder Program is \$988 million. Claims associated with the deletion of work for the original Arrowhead Tunnels contracts are pending and excluded from the estimated total project cost. Claims pending for the Arrowhead West and Arrowhead East Tunnels are \$15.8 and \$5.3 million, respectively.

Total expenditures through February 2002 are \$562.2 million (see [Attachment 1](#) for a financial summary/program cash flow and [Attachment 2](#) for a budget comparison and schedule summary/remaining budget). The board-approved budget remains unchanged at \$1.186 billion. The projected completion date for the program remains at early 2007.

Policy

Board Request

Fiscal Impact

Refer to [Attachment 1](#) and [Attachment 2](#).

 Roy L. Wolfe Manager, Corporate Resources	<u>3/7/2002</u> Date
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 Ronald R. Gastelum Chief Executive Officer	<u>3/18/2002</u> Date
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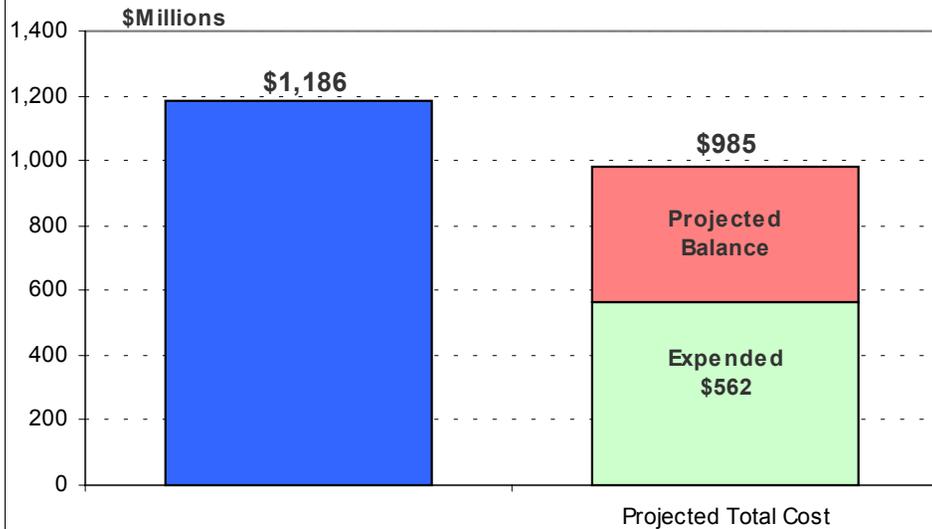
[Attachment 1 – Financial Summary/Program Cash Flow](#)

[Attachment 2 – Budget Comparison and Schedule Summary/Remaining Budget](#)

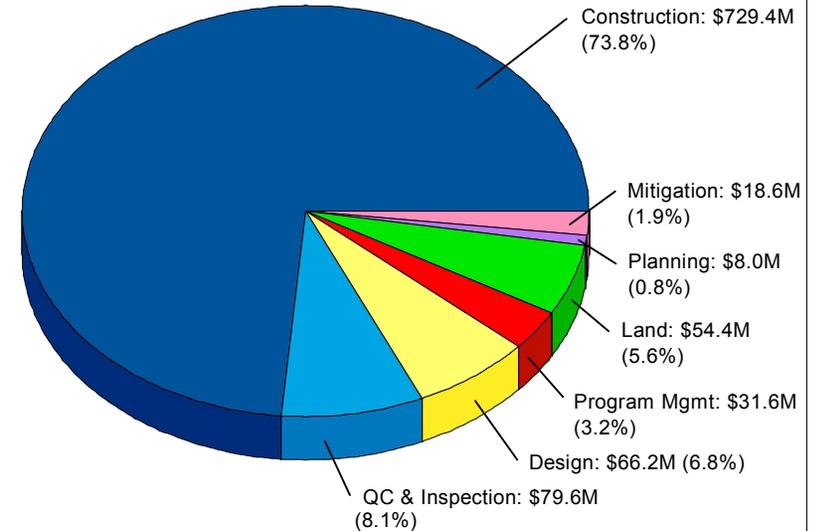
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Financial Summary

Total Program

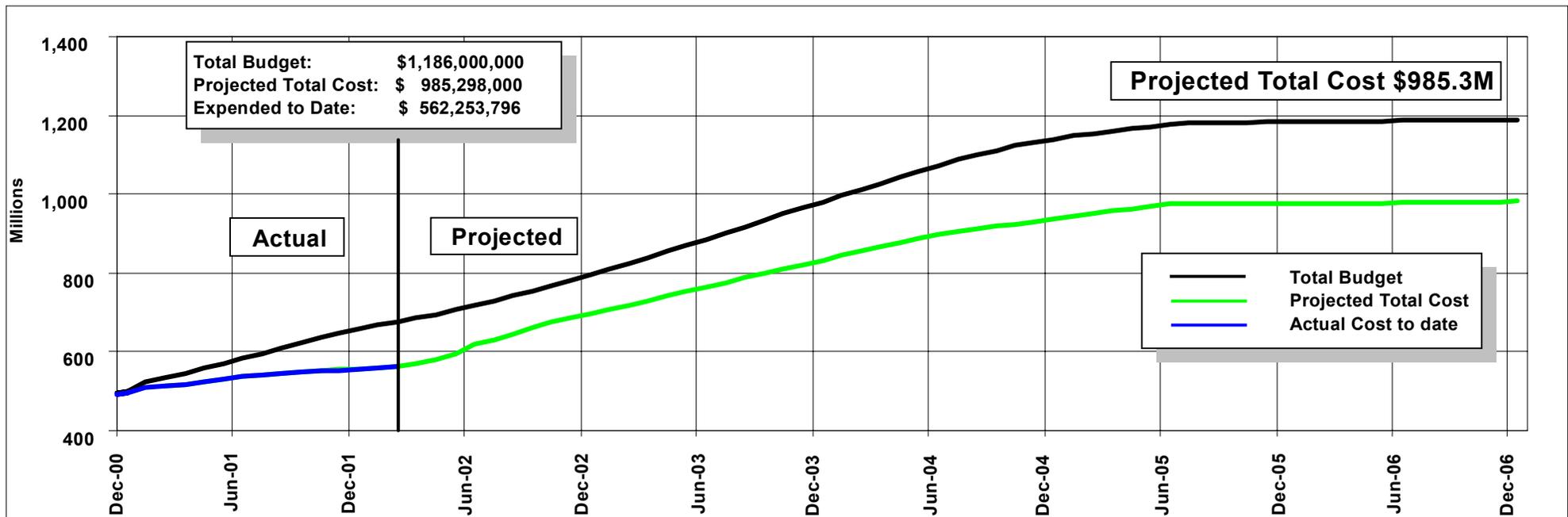


Projected Total Cost \$985,298,000



1. Based on knowledge of current field conditions.

Program Cash Flow



Budget Comparison and Schedule Summary

	BUDGET (FEB-02) (1)	FORECAST (FEB-02)	ACTUALS THRU (FEB-02) (2)	PROGRESS		COMPLETION DATE		COMMENTS
				PLANNED % COMPLETE	ACTUAL % COMPLETE (FEB-02) (4)	CONTRACT (5)	FORECAST (FEB-02)	
Construction Reaches								
Arrowhead West Tunnel	\$ 62,243,000	\$ 56,290,000	\$ 56,290,000	100%	100%	Completed	Completed	Mining Deleted From Contract
Arrowhead East Tunnel	\$ 141,703,000	\$ 134,505,000	\$ 131,774,000	100%	93%	-----	May-02	Mining halted after 8,000 ft
Arrowhead Tunnels	\$ 287,549,000	\$ 306,591,000	\$ 4,297,000	2%	2%	-----	T.B.D.	Awaiting contract award
Highland Pipeline (3)	\$ 59,586,000	\$ 61,241,000	\$ 8,671,000	15%	15%	-----	T.B.D.	Out To Bid
Mentone Pipeline	\$ 40,571,000	\$ 39,582,000	\$ 38,954,000	100%	100%	Completed	Completed	Completed Oct. 01
Riverside Badlands Tunnel	\$ 148,473,000	\$ 144,776,000	\$ 118,889,000	87%	85%	Aug-03	Nov-02	Under construction.
Riverside North Pipeline	\$ 55,710,000	\$ 55,710,000	\$ 55,311,000	100%	100%	Completed	Completed	Completed Nov. 99
Riverside South Pipeline	\$ 42,418,000	\$ 42,418,000	\$ 42,418,000	100%	100%	Completed	Completed	Completed Aug. 99
Construction Support								
Right-of-Way and Land	\$ 54,448,000	\$ 54,747,000	\$ 46,592,000	-----	86%	-----	-----	-----
Environmental Planning/Mitigation	\$ 18,598,000	\$ 18,598,000	\$ 11,883,000	-----	64%	-----	-----	-----
Owner Controlled Insurance Prog.	\$ 32,889,000	\$ 27,578,000	\$ 18,197,000	-----	55%	-----	-----	-----
Study/Initial Planning	\$ 8,024,000	\$ 8,024,000	\$ 8,024,000	-----	100%	-----	-----	-----
Program Management	\$ 33,086,000	\$ 31,650,000	\$ 20,952,000	-----	63%	-----	-----	-----
Projected Total Cost	\$ 985,298,000	\$ 981,710,000	\$ 562,252,000					
Remaining Budget	\$ 201,162,000	\$ 204,750,000						
Total Approved Budget	\$ 1,186,460,000	\$ 1,186,460,000						

- (1) Based on 30% design for Arrowhead Tunnels
- (2) Actuals for construction reaches include design costs
- (3) Expenditure for design which is complete
- (4) Based on work completed for construction reaches and \$ expended for construction support
- (5) Based on original contract duration and approved extensions

Remaining Budget

1. Project budget minus projected total cost.

